

EXHIBIT 3

Dean Duncan - April 18, 2016
Highly Confidential - For Attorneys' Eyes Only

1

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

SolarCity Corporation,)
Plaintiff,)
vs.) No. 2:15-CV-00374-DLR
Salt River Project Agricultural)
Improvement and Power District,)
Defendant.)

)

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

VIDEOTAPED DEPOSITION OF DEAN DUNCAN

Phoenix, Arizona

April 18, 2016

Prepared by:
Meri Coash, RMR, CRR
Certified Reporter
Certification No. 50327

| Page 2 | | | Page 4 | | |
|--------|-----------------------|--|--------|----|---|
| 1 | WITNESS | I N D E X | PAGE | 1 | Plaintiff Exhibit 107 Email chain, SRP-AZ-00421314 - 421318, Highly Confidential - AEO 142 |
| 2 | DEAN DUNCAN | Examination By Mr. Rodriguez | 8 | 2 | Plaintiff Exhibit 108 Email chain, SRP-AZ-00029101, Highly Confidential - AEO 145 |
| 3 | | | | 4 | Plaintiff Exhibit 109 Email chain with attachment, SRP-AZ-00254829 - 4839, Highly Confidential - AEO 149 |
| 5 | | | | 6 | Plaintiff Exhibit 110 Solar Strategy Team, Meeting Agenda 2/7/2013, SRP-AZ-00129558, Confidential 156 |
| 7 | | | | 8 | Plaintiff Exhibit 111 Email chain, SRP-AZ-00509711 - 509714, Confidential 157 |
| 9 | | EXHIBITS MARKED | | 10 | Plaintiff Exhibit 112 Email chain, SRP-AZ-00510698 - 510701, Confidential 164 |
| 10 | EXHIBITS | DESCRIPTION | PAGE | 11 | Plaintiff Exhibit 113 Email chain, SRP-AZ-00509898 - 509905, Confidential 168 |
| 11 | Plaintiff Exhibit 90 | Business model research, Emerging Customer Programs, SRP-AZ-00294597, Highly Confidential - AEO | 22 | 12 | Plaintiff Exhibit 114 Email chain, SRP-AZ-00194323 - 194324, Confidential 171 |
| 12 | Plaintiff Exhibit 91 | Executive Price Process Coordinating Committee, Kick-Off Meeting, August 7, 2014, SRP-AZ-00158500, Highly Confidential - AEO | 22 | 13 | Plaintiff Exhibit 115 SRP Drive Electric 174 |
| 13 | Plaintiff Exhibit 92 | Email chain, SRP-AZ-00334175 - 334176, Highly Confidential - AEO | 31 | 14 | Plaintiff Exhibit 116 Strategic Choices Workshop Deliverables, SRP-AZ-00420936 - 937, Highly Confidential - AEO 182 |
| 14 | Plaintiff Exhibit 93 | Battery Storage Update, Power Committee, July 16, 2015, SRP-AZ-00489935 - 489936, Highly Confidential - AEO | 41 | 15 | Plaintiff Exhibit 117 Background Information for Understanding the Complex History and Interwoven Relationships Affecting SRP Governance, SCTY00080664 - 80691 185 |
| 15 | Plaintiff Exhibit 94 | Situation Analysis, Renee Eastman, SRP, May 8, 2014, SRP-AZ-00418899 - 418900, Highly Confidential - AEO | 51 | 16 | |
| 16 | Plaintiff Exhibit 95 | Email chain with attachment Electricity Market Share, SRP-AZ-00417386 - 417389, Highly Confidential - AEO | 66 | 17 | |
| 17 | | | | 20 | |
| 18 | | | | 21 | |
| 19 | | | | 22 | |
| 20 | | | | 23 | |
| 21 | | | | 24 | |
| 22 | | | | 25 | |
| Page 3 | | | Page 5 | | |
| 1 | Plaintiff Exhibit 96 | Email chain, SRP-AZ-00120992, Highly Confidential - AEO | 72 | 1 | Plaintiff Exhibit 118 Review of Issues re: Electric Customers residing outside SRRD, Michael J. McGinnis, November 10, 2011, SRP-AZ-00420154, Highly Confidential - AEO 187 |
| 2 | Plaintiff Exhibit 97 | Empowering Customers with Choices, SRP Cohort, June 5, 2014, SRP-AZ-00509357 - 509358, Highly Confidential - AEO | 76 | 2 | |
| 3 | Plaintiff Exhibit 98 | 2016 Spring Energy Symposium Program Guide | 80 | 3 | |
| 4 | Plaintiff Exhibit 99 | FP16 Load Forecast, General Manager's Staff Meeting, Brian Cary, Forecasting, Archives and Research, October 14, 2014, SRP-AZ-00416839 - 416840, Highly Confidential - AEO | 87 | 4 | Plaintiff Exhibit 119 Overview of Current Governance Structure, SRP-AZ-00529241 - 529265, Confidential 188 |
| 5 | Plaintiff Exhibit 100 | Preliminary FY17 Load Forecast, GM Staff, September 8, 2015, SRP-AZ-00509355 - 509356, Highly Confidential - AEO | 93 | 5 | Plaintiff Exhibit 120 Informational Presentation on Projected SRP Growth: 2014 versus 2011, SRP-AZ-00509790, Highly Confidential - AEO 188 |
| 6 | Plaintiff Exhibit 101 | Solar Pricing, Setting a Rational Solar Price, SRP-AZ-00354541 - 354664, Highly Confidential - AEO | 99 | 6 | |
| 7 | Plaintiff Exhibit 102 | Email chain, SRP-AZ-00123137 - 123139, Confidential | 103 | 7 | |
| 8 | Plaintiff Exhibit 103 | Email chain, SRP-AZ-00021907 - 21908, Highly Confidential - AEO | 113 | 8 | |
| 9 | Plaintiff Exhibit 104 | Solar and 4-Hour Price Plan Modeling, SRP-AZ-00489640 - 489641, Highly Confidential - AEO | 115 | 9 | |
| 10 | Plaintiff Exhibit 105 | Email chain, SRP-AZ-00010280 - 10284, Highly Confidential - AEO | 135 | 10 | |
| 11 | Plaintiff Exhibit 106 | Email chain, SRP-AZ-00421432 - 421433, Confidential | 140 | 11 | |
| 12 | | | | 12 | |
| 13 | | | | 13 | PREVIOUSLY MARKED EXHIBITS |
| 14 | | | | 14 | Plaintiff's Exhibit 59 Page 102 |
| 15 | | | | 15 | |
| 16 | | | | 16 | |
| 17 | | | | 17 | |
| 18 | | | | 18 | |
| 19 | | | | 19 | |
| 20 | | | | 20 | |
| 21 | | | | 21 | |
| 22 | | | | 22 | |
| 23 | | | | 23 | |
| 24 | | | | 24 | |
| 25 | | | | 25 | |

| | | | |
|-------------------|--|-------------------|--------|
| | Page 6 | 09:05:37-09:06:12 | Page 8 |
| 1 | VIDEOTAPED DEPOSITION OF DEAN DUNCAN | | |
| 2 | was taken on April 18, 2016, commencing at 9:04 a.m. at | | |
| 3 | the law offices of Coppersmith Brockelman, PLC, 2800 North | | |
| 4 | Central Avenue, Suite 1200, Phoenix, Arizona, before Meri | | |
| 5 | Coash, a Certified Reporter in the State of Arizona. | | |
| 6 | | | |
| 7 | | | |
| 8 | * * * | | |
| 9 | APPEARANCES: | | |
| 10 | For the Plaintiff: | | |
| 11 | BOIES, SCHILLER & FLEXNER, LLP | | |
| 12 | By: Sean Phillips Rodriguez, Esq. | | |
| 13 | Nina Eisenberg, Esq. | | |
| 14 | (Pro hac vice) | | |
| 15 | 1999 Harrison Street | | |
| | Suite 900 | | |
| | Oakland, California 94612 | | |
| | 510-874-1000 | | |
| | srodriguez@bsfllp.com | | |
| | neisenberg@bsfllp.com | | |
| 16 | For the Defendant: | | |
| 17 | WILMERHALE, LLP | | |
| 18 | By: Christopher E. Babbitt, Esq. (Pro hac vice) | | |
| 19 | 1875 Pennsylvania Avenue, NW | | |
| | Washington, DC 20006 | | |
| | 202-663-6000 | | |
| | christopher.babbitt@wilmerhale.com | | |
| 20 | Also present: Kathleen A. Heth, Esq.; and Silas | | |
| 21 | Kyler, videographer | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 09:04:04-09:05:28 | Page 7 | 09:06:13-09:07:13 | Page 9 |
| 1 | TRANSCRIPT OF PROCEEDINGS | | |
| 2 | THE VIDEOGRAPHER: We are on the record. | | |
| 3 | The time on the video monitor is 9:04. Here begins | | |
| 4 | volume 1, video number one in the deposition of Dean | | |
| 5 | Duncan in the matter of SolarCity Corp. versus Solar -- | | |
| 6 | Salt River Project Agricultural Improvement and Power | | |
| 7 | District, in the United States District Court for the | | |
| 8 | District of Arizona, Case Number 2:15-CV-00374-DLR. | | |
| 9 | Today's date is April 18, 2016. Our court | | |
| 10 | reporter is Meri Coash. My name is Silas Kyler, certified | | |
| 11 | videographer representing Coash & Coash. This video | | |
| 12 | deposition is taking place at 2800 North Central Avenue, | | |
| 13 | Suite 1200, Phoenix, Arizona. | | |
| 14 | Counsel, please identify yourselves and | | |
| 15 | state whom you represent. | | |
| 16 | MR. RODRIGUEZ: Sean Rodriguez, Boies, | | |
| 17 | Schiller & Flexner, for Plaintiff SolarCity Corporation. | | |
| 18 | MS. EISENBERG: Nina Eisenberg, counsel for | | |
| 19 | SolarCity Corporation, from Boies, Schiller & Flexner. | | |
| 20 | MR. BABBITT: Christopher Babbitt from | | |
| 21 | WilmerHale for SRP. | | |
| 22 | MS. HETH: Kathleen Heth from SRP. | | |
| 23 | THE VIDEOGRAPHER: Would the court reporter | | |
| 24 | please swear in the witness. | | |
| 25 | | | |

| | | | |
|--|---------|---|---------|
| 09:07:17-09:08:59 | Page 10 | 09:10:22-09:12:32 | Page 12 |
| <p>1 Q. When did that change occur?</p> <p>2 A. That change occurred February 2014.</p> <p>3 Q. Is that the position you hold today?</p> <p>4 A. Correct. Yes.</p> <p>5 Q. Who is treasurer today?</p> <p>6 A. Steve Hulet.</p> <p>7 Q. Was there a reorganization in SRP approximately</p> <p>8 last month?</p> <p>9 A. Yes.</p> <p>10 Q. Did that reorganization affect you at all?</p> <p>11 A. Yes. Not significantly. John Sullivan retired</p> <p>12 and my boss now reports to Mike Hummel.</p> <p>13 Q. To whom do you report?</p> <p>14 A. Charlie Duckworth.</p> <p>15 Q. Who reports to you?</p> <p>16 A. I have three groups -- four groups. I have</p> <p>17 strategy, load forecasting, which includes load research,</p> <p>18 and archives.</p> <p>19 Q. What do you do in your role as director -- senior</p> <p>20 director of strategic planning?</p> <p>21 A. Primarily as leading the development of corporate</p> <p>22 strategy. Also working with my load forecasting staff to</p> <p>23 produce load forecast.</p> <p>24 Q. Is there any work that you do in your capacity as</p> <p>25 someone involved in load forecasting that's distinct from</p> | | <p>1 other work you do with the load forecasting team?</p> <p>2 A. The load forecasting team does analyses on</p> <p>3 customer usage, and so they provide support to the load</p> <p>4 forecast product, but it's primarily the load forecast</p> <p>5 product that they produce.</p> <p>6 Q. What is the load forecast product?</p> <p>7 A. It's the annual forecast for kilowatt-hours and</p> <p>8 kilowatts that we produce.</p> <p>9 Q. And how is that load forecast product used by</p> <p>10 SRP?</p> <p>11 A. The -- it's used in the planning process,</p> <p>12 primarily calculate forecasted revenue.</p> <p>13 Q. What do you do in your role involving the SRP</p> <p>14 archives?</p> <p>15 A. That -- that department is responsible for</p> <p>16 recording SRP's history, of course. My role with them is</p> <p>17 modest guidance when questions come up.</p> <p>18 Q. Is there a team of people who work for you in</p> <p>19 connection with the archives?</p> <p>20 A. Yes.</p> <p>21 Q. Who's on that team?</p> <p>22 A. Lee Harrison, Evan Medley, and Chelsea -- I'm</p> <p>23 sorry. I blocked her. She just got married. I'm sorry.</p> <p>24 Q. How are the archives organized?</p> <p>25 A. I'm not -- Can you clarify?</p> | |
| 09:09:03-09:10:19 | Page 11 | 09:12:38-09:14:12 | Page 13 |
| <p>1 the strategy work you do that overlaps with forecasting?</p> <p>2 MR. BABBITT: Object to form.</p> <p>3 You can go ahead and answer.</p> <p>4 THE WITNESS: I'm sorry. Can you repeat the</p> <p>5 question? Or clarify?</p> <p>6 BY MR. RODRIGUEZ:</p> <p>7 Q. Yeah. Is there any work you do in your</p> <p>8 capacity -- Let me start again.</p> <p>9 Is there any work you do in your role -- in</p> <p>10 your load forecasting role that is distinct from the load</p> <p>11 forecasting work you just described?</p> <p>12 MR. BABBITT: Same objection.</p> <p>13 But you can answer.</p> <p>14 THE WITNESS: I'm sorry. I'm still not</p> <p>15 quite understanding the -- the question.</p> <p>16 BY MR. RODRIGUEZ:</p> <p>17 Q. Well, you were just discussing your role in</p> <p>18 strategic planning, correct?</p> <p>19 A. Correct.</p> <p>20 Q. Okay. And in connection with your role in</p> <p>21 strategic planning, you mentioned that you work with the</p> <p>22 load forecasting team, correct?</p> <p>23 A. Uh-huh.</p> <p>24 Q. Okay. Other than that strategic planning work</p> <p>25 that is connected with load forecasting, is there any</p> | | <p>1 Q. Does SRP have a distinct set of files known as</p> <p>2 the archives?</p> <p>3 A. Yes.</p> <p>4 Q. In what format are those files kept?</p> <p>5 A. Can you clarify "format"?</p> <p>6 Q. We can start with hard copy versus electronic.</p> <p>7 A. We have both.</p> <p>8 Q. How are the hard copy archives organized?</p> <p>9 A. In a single room, filing cabinets.</p> <p>10 Q. Do those filing cabinets have any sort of topical</p> <p>11 organization?</p> <p>12 A. Not that I recall.</p> <p>13 Q. Do they have any other organizing principle?</p> <p>14 A. Not that I'm aware of.</p> <p>15 Q. Are the archives cataloged?</p> <p>16 A. Yes.</p> <p>17 Q. Turning to the electronic archives, are they</p> <p>18 stored on a file server?</p> <p>19 A. I'm not sure.</p> <p>20 Q. What do you know about the manner in which the</p> <p>21 electronic archives are stored?</p> <p>22 A. I do know that we store them electronically.</p> <p>23 Q. Do you know whether the electronic archives are</p> <p>24 searchable?</p> <p>25 A. I'm not -- Yes. Yes, they are.</p> | |

11:19:26-11:21:37

Page 62

[REDACTED]

11:23:17-11:24:52

Page 64

[REDACTED]

[REDACTED]

[REDACTED]

| | | | |
|--|---------|---|---------|
| 11:27:23-11:31:14 | Page 66 | 11:33:10-11:34:50 | Page 68 |
| <p>1 it.</p> <p>2 BY MR. RODRIGUEZ:</p> <p>3 Q. Do you have an understanding based on your</p> <p>4 experience studying the solar industry?</p> <p>5 A. I believe that a -- a lower bill is largely what</p> <p>6 they perceive solar to be.</p> <p>7 Q. What kind of bill are you referring to when you</p> <p>8 say "a lower bill"?</p> <p>9 A. Their -- their power bill.</p> <p>10 Q. Such as their power bill from SRP?</p> <p>11 A. Yes. Or any utility, of course.</p> <p>12 MR. RODRIGUEZ: Let's mark the next exhibit,</p> <p>13 please. I believe we're on 95.</p> <p>14 (Deposition Plaintiff Exhibit 95 was marked</p> <p>15 for identification.)</p> <p>16 BY MR. RODRIGUEZ:</p> <p>17 Q. Exhibit 95 is an email and associated attachment.</p> <p>18 The email begins at SRP-AZ-00417386. Mr. Duncan, do you</p> <p>19 recognize the materials that have been marked as</p> <p>20 Exhibit 95?</p> <p>21 A. Yes.</p> <p>22 Q. What are the materials that have been marked as</p> <p>23 Exhibit 95?</p> <p>24 A. They are an analysis of energy sales and</p> <p>25 distributed generation.</p> | | <p>1 graph, correct?</p> <p>2 A. Correct.</p> <p>3 Q. What is the market that the heading of this graph</p> <p>4 references?</p> <p>5 A. This would be SRP's, as the axis says, service</p> <p>6 territory.</p> <p>7 Q. So the market is the share of customer energy</p> <p>8 needs supplied by both SRP and distributed generation</p> <p>9 within SRP's service territory, correct?</p> <p>10 MR. BABBITT: Object to form, foundation.</p> <p>11 You can answer.</p> <p>12 THE WITNESS: Sorry. Can you just reread</p> <p>13 that, please? Or . . .</p> <p>14 (The record was read by the court reporter</p> <p>15 as follows:</p> <p>16 QUESTION: So the market is the share of</p> <p>17 customer energy needs supplied by both SRP and</p> <p>18 distributed generation within SRP's service</p> <p>19 territory, correct?)</p> <p>20 THE WITNESS: I believe that's correct, yes.</p> <p>21 BY MR. RODRIGUEZ:</p> <p>22 Q. So this graph views distributed generation and</p> <p>23 SRP's sales as in the same market, correct?</p> <p>24 MR. BABBITT: Object to form, foundation.</p> <p>25 THE WITNESS: This graph uses a common</p> | |
| 11:31:19-11:33:07 | Page 67 | 11:35:01-11:36:48 | Page 69 |
| <p>1 Q. I would like to draw your attention to the graph</p> <p>2 with the heading "Electricity Market Share." Do you see</p> <p>3 that graph?</p> <p>4 A. There are a few of them here.</p> <p>5 Q. Well, let's start with the first. I believe the</p> <p>6 Y axis is labeled "Share of Service Territory Customer</p> <p>7 Energy Needs." [Quoted as read.] Do you see that graph?</p> <p>8 A. I do.</p> <p>9 MR. BABBITT: Are we looking at the same</p> <p>10 one? Mine says "Power Needs." Is that the same --</p> <p>11 MS. EISENBERG: I think it's page 3.</p> <p>12 MR. BABBITT: 3? Okay.</p> <p>13 MR. RODRIGUEZ: Yes, I believe we are</p> <p>14 looking at the same one.</p> <p>15 MR. BABBITT: Thanks.</p> <p>16 BY MR. RODRIGUEZ:</p> <p>17 Q. Mr. Duncan, what is this graph conveying?</p> <p>18 A. It's conveying over time, through 2015, how much</p> <p>19 energy is coming from SRP's system, how much is coming</p> <p>20 from distributed generation resources.</p> <p>21 Q. Okay. Do you know who created this graph?</p> <p>22 A. I recall that it was Michael Reynolds.</p> <p>23 Q. Mr. Reynolds is an SRP employee, correct?</p> <p>24 A. Correct.</p> <p>25 Q. He was an employee at the time he created this</p> | | <p>1 terminology to describe how much energy comes to customers</p> <p>2 from SRP resources versus distributed resources.</p> <p>3 BY MR. RODRIGUEZ:</p> <p>4 Q. When you say "common terminology," do you mean</p> <p>5 common within SRP?</p> <p>6 A. No. Common in -- in sort of marketing</p> <p>7 vernacular, market share, much more generic sense.</p> <p>8 Q. In a lay sense, correct?</p> <p>9 MR. BABBITT: Object to form.</p> <p>10 THE WITNESS: Yes, in layman terms.</p> <p>11 BY MR. RODRIGUEZ:</p> <p>12 Q. So a lay SRP customer might commonly refer to an</p> <p>13 electricity market as including distributed generation and</p> <p>14 utility energy sales. Is that right?</p> <p>15 MR. BABBITT: Object to form and foundation.</p> <p>16 THE WITNESS: I can't say whether a lay</p> <p>17 customer would view energy sales in the same way.</p> <p>18 BY MR. RODRIGUEZ:</p> <p>19 Q. But your testimony is that that's a common term</p> <p>20 that laypeople might use to convey the concept illustrated</p> <p>21 on this page?</p> <p>22 MR. BABBITT: Same objections.</p> <p>23 THE WITNESS: No. So I'll clarify, then.</p> <p>24 It's a common term among marketing groups, marketing</p> <p>25 departments, within its common business language.</p> | |

| | | | |
|-------------------|---------|---|------------|
| 11:36:53-11:39:13 | Page 70 | 11:41:24-11:44:00 | Page 72 |
| [REDACTED] | | 1 MR. RODRIGUEZ: Let's mark Exhibit 96. 2 (Deposition Plaintiff Exhibit 96 was marked 3 for identification.) 4 BY MR. RODRIGUEZ: 5 Q. Exhibit 96 is an email chain produced as 6 SRP-AZ-00120992. Mr. Duncan, do you recognize the email 7 chain that's been marked as Exhibit 96? 8 A. Yes. 9 Q. In September 2013, were you working with 10 Mr. McGinnis on issues related to community solar pricing? 11 A. Yes. 12 Q. Are the emails at Exhibit 96 part of that work? 13 A. Yes. | [REDACTED] |
| [REDACTED] | | 21 Q. Are you familiar with phone companies renting 22 phones to customers? 23 A. Yes. 24 Q. Do phone companies generally rent phones to 25 customers today? | [REDACTED] |
| [REDACTED] | | 11:44:01-11:46:31 | Page 73 |
| [REDACTED] | | 1 A. I don't know. I don't -- I don't know. I don't 2 believe so. 3 Q. Do you recall when phone companies generally 4 rented phones to customers? 5 A. Yes. 6 Q. When was that? 7 A. I believe 1970s and prior. 8 Q. Is it your understanding that in the 1970s and 9 prior, phone companies were generally monopolies? 10 MR. BABBITT: Object to form, foundation. 11 THE WITNESS: Well, I'm not an expert in 12 that area. I'm not terribly familiar with the 13 telecommunications business. 14 BY MR. RODRIGUEZ: 15 Q. I understand you're not an expert. But speaking 16 from your personal understanding and experience, do you 17 believe that in the 1970s and prior, phone companies were 18 monopolies, as a general matter? 19 A. I believe so. 20 Q. Is it your belief, then, that phone companies 21 stopped generally renting customers phones after 22 competition was introduced to the telephone industry? 23 MR. BABBITT: Same objections. 24 THE WITNESS: I don't know if there are 25 certain phone companies that don't still rent phones. | [REDACTED] |

| | | | | | |
|-------------------|---------|---|-------------------|---------|--|
| 13:15:07-13:17:32 | Page 90 | 1 A. Okay. So per the chart and the heading you mentioned, the peak declines by as much as 86 megawatts from '15 to '16 -- from the forecast of '15 to forecast of '16. 5 Q. In the time since this chart was generated, are you aware of whether SRP's peak is trending higher or lower? 8 MR. BABBITT: Object to form. 9 THE WITNESS: It's my recollection that it's similar to FP16. 11 BY MR. RODRIGUEZ: 12 Q. Please turn to Slide 9. Mr. Duncan, what do the stacked bars on Slide 9 represent? 14 A. So this is -- those bars represent the reduction from financial plan 2015 forecast sales or megawatt-hours, each bar represents a contribution to that reduction. 17 Q. If a portion of the bar is above the line marked 0.0 percent, does that mean that that component is contributing to a reduction in peak? 20 MR. BABBITT: Object to form. 21 BY MR. RODRIGUEZ: 22 Q. I apologize. What does it mean if a portion of the stacked bar is above the line labeled 0.0? 24 A. What that means is that a change from financial plan 15 forecast to the financial plan 16 forecast is an | 13:19:29-13:22:01 | Page 91 | 1 Q. Do you have an understanding of why the percentage goes from negative to positive? 3 A. I don't recall the specific drivers. 4 Q. Do you have an understanding in general, sitting here today? 6 A. As a rule, we refine the forecast each year based on new information, better information, and that can change any of the given years. 9 Q. Do you recall anyone asking why the PV difference went from a negative number to a positive number beginning at about 2017? 12 A. Not that I recall, no. 13 Q. What do you believe could cause that change? 14 A. The -- obviously this is reflecting the number of megawatt-hours that are coming from these sources, so presumably this purple bar is the PV difference. It can mean more or less units -- photovoltaic units. 18 Q. Now looking at 2015, comparing it to 2017, does the difference in those two bars -- what does the difference in those two bars mean with respect to distributed generation, if anything? 22 A. I don't think it means anything significantly. 23 The amounts are very small, which usually means we're just fine-tuning for a year's newer information. 25 Q. Please turn to Slide 23. Under the heading |
| 13:17:39-13:19:29 | Page 91 | 1 increase. 2 Q. An increase in what? 3 A. In megawatt-hour sales. 4 Q. Megawatt-hour sales for SRP. Is that right? 5 A. Correct. 6 Q. So in 2015, the PV difference portion of the bar graph is negative. Is that right? 8 A. Yes. 9 Q. And in 2016, it's slightly less negative. Is that fair? 11 A. Perhaps neutral. I don't think there's a value in 2016. 13 Q. Then beginning in 2017 and running through 2019, the PV difference portion of the lines begins having a positive contribution. Is that right? 16 A. It means that the sales forecast changed by those amounts, increased by those amounts. It's not necessarily positive or negative. It's just a change. 19 Q. So the change is a positive percentage beginning in 2017 and running through at least 2020, right? 21 A. The purple bars, yes, from 2017 to 2020 are above zero. 23 Q. But the change in 2015 is a negative percentage, right? 25 A. Yes. | 13:22:16-13:24:14 | Page 93 | 1 "Price Increase Assumptions," there's a table. What does that table represent? 3 A. It represents the price adjustments that are assumed in the financial plan. [REDACTED] |

| | | | |
|---|---------|--|---------|
| 13:24:35-13:26:37 | Page 94 | 13:31:18-13:33:43 | Page 96 |
| 1 BY MR. RODRIGUEZ: 2 Q. Exhibit 100 is an email and associated attachment 3 beginning at SRP-AZ-00509355. Mr. Duncan, if it will 4 assist your review, I can tell you that I'm only going to 5 ask you about the slide on page 7. 6 A. Promise? 7 Q. I do. 8 Okay. Mr. Duncan, have you seen the slide 9 on page 7 before? 10 A. I have. 11 Q. Did you contribute to the development of the 12 slide on page 7? 13 A. In an advisory sense, yes. [REDACTED] | | 5 BY MR. RODRIGUEZ: 6 Q. I'm done with that document, so you can put it to 7 the side if you like. 8 Mr. Duncan, when did you first become 9 involved with solar-related issues at SRP? 10 A. I first became involved -- my first recollection 11 was in 1992. 12 Q. In what capacity were you involved with 13 solar-related issues in 1992? 14 A. I evaluated a joint marketing and construction 15 opportunity with -- production opportunity with Mobil Oil 16 on behalf of SRP. 17 Q. When did you first become involved with rooftop 18 solar-related issues at SRP? 19 A. I recall when I was relatively directly as 20 treasurer. 21 THE COURT REPORTER: Did you say "relatively 22 directly"? 23 THE WITNESS: So -- Yes. Let me -- On 24 a -- on a kind of firsthand basis. 25 | |
| [REDACTED] | | 13:33:45-13:36:19 | Page 97 |
| [REDACTED] | | 1 BY MR. RODRIGUEZ: 2 Q. And what did you do on a firsthand basis when you 3 became involved with rooftop solar-related issues in your 4 capacity as treasurer? 5 A. Primarily understand the issues or implications 6 of net metering. 7 Q. What is the solar strategy team? 8 MR. BABBITT: Object to form. 9 THE WITNESS: A team formed as a result of 10 the -- pardon me -- following the 2012 price process. 11 BY MR. RODRIGUEZ: 12 Q. Were you a part of the solar strategy team at the 13 time it was formed? 14 A. Yes. 15 Q. Did you continue to be a part of the solar 16 strategy team through 2014? 17 A. Yes. 18 Q. Does the solar strategy team exist today? 19 A. No. 20 Q. At what point did the solar strategy team no 21 longer exist? 22 A. I think probably largely -- for all intents and 23 purposes, the summer of 2014. 24 Q. What is your understanding of why the solar 25 strategy team ceased to exist more or less in the summer | |